

**FIRST 5 CALIFORNIA
CHILDREN AND FAMILIES COMMISSION**

December 15, 2008

**Special Commission Meeting
via Teleconference**

MINUTES

Agenda Item 1 – Call to Order and Chair’s Welcome

Vice Chair David Kears called the teleconference meeting to order.

Commissioners Present: David Kears, Vice Chair
Don Attore
Carla Dartis
Maria Minon, M.D.
Molly Munger
Eleni Tsakopoulos-Kounalakis

Ex Officio Member Absent: Joe Munso

Vice Chair Kears welcomed commission members. The Special Commission Meeting was conducted via teleconference with locations in San Francisco, Sacramento and Orange.

Agenda Item 1 – Determination in Support of Special Commission Meeting

Kim Gauthier, Chief Counsel, provided background information for the need to call a Special Commission Meeting.

The First 5 California Commission conducts its business on compliance with and pursuant to the Bagley Keene Open Meeting Act. First 5 called a Special Commission Meeting to only consider limited matters as set forth in the agenda. Also, pursuant to the Bagley Keene Open Meeting Act, First 5 is required to make a factual finding that immediate action is required to protect the public interest and, therefore, the Commission was unable to comply with the usual 10-day meeting notice.

The Managed Risk Medical Insurance Board (MRMIB), administrator of the Healthy Families Program, is prepared to freeze enrollment in the Healthy Families Program effective December 18, 2008, if it is unable to receive additional targeted funding beyond the current General Fund allocation for this fiscal year. Approximately 40% of the children enrolled and enrolling in the Health Families Program are children ages 0 to 5. In order to avoid a waiting list for new enrollees ages 0 to 5, and consider expansion of the Healthy Families Program, it was necessary to call this Special Commission Meeting.

MRMIB will meet on December 17, 2008, to consider freezing enrollment.

MOTION/ACTION: Commissioner Dartis moved that the Commission find that calling a Special Session is necessary as immediate action is required by this Commission to protect the public interest in that the Managed Risk Medical Insurance Board is prepared to implement a freeze on enrollment and a waiting list for all children in the Healthy Families Program, effective December 18, 2008, if they are not able to procure additional funding to expand the program. The motion was seconded by Commissioner Tsakopoulos-Kounalakis.

PUBLIC COMMENT: None.

VOTE: The motion was approved by a unanimous vote of the members present.

Agenda Item 2 – Approval of Health Care Funds for Eligible Children 0 to 5

Kris Perry, Executive Director, requested the Commission approve funding of health care for children ages 0 to 5.

With each day California's deficit grows, now at an unprecedented \$40.8 billion, which is closely tied to loss of homes, jobs and employer-based health coverage. During very difficult times, leadership and a commitment to the critical safety net services that protect the most vulnerable in our society is key. During good times, public programs are needed. During difficult times, basic health and social service programs become the difference between life and death. One of the most vulnerable populations are young children, particularly young children who live in low-income families. Many children are at risk of losing their basic right to receive medical attention for preventive care, even for illness and injury. This Special Meeting is intended to prevent the State's youngest children from losing a basic right, which should not be called into question because the State is in fiscal crisis. Infants and toddlers, preschoolers and children with special needs do not control the fiscal solvency of their parents, their parent's employers, the community or the State. They need the protection that state safety net programs, such as Healthy Families and First 5 California provide.

Ms. Perry recommended that First 5 California step in to help avert a serious risk to these children.

In 2003, the Commission committed \$46.5 million for children's health care. Twenty million of which remains in First 5 accounts for the purposes of statewide expansion of children's health insurance. This causes no impact to the existing grants to the Children's Health Initiatives across the State. Eighteen months ago, the Commission passed a resolution intended to support the expansion of health coverage. First 5 California has been in discussion with Senator Steinberg and other leaders on ways to partner going forward on expanding coverage for kids that will take us further than Med-Cal, Healthy Families or the Health Access for All Children Initiative.

MRMIB is the largest state run public insurance program for children ages 0 to 18 in California. MRMIB expects to enroll 163,000 children in the next six months, which breaks down to 28,000 children monthly. This number has been growing steadily for some time and is expected to continue to grow with the failing economy. Children ages 0 to 5 make up approximately 40% of new enrollment. This is by far the most expensive group of children that MRMIB covers.

The General Fund appropriation cannot meet the demand as they are not allowed to run a deficit and must find new funding to deal with the expanded need for the program. In anticipation of the enrollment cap, families are already rushing to Healthy Families trying to be enrolled prior to the cap and waiting lists begin.

Ms. Perry was pleased to announce that First 5 staff have worked closely with county commissions to develop a new and creative solution to partner and offer financial support to MRMIB to prevent the waiting list from occurring. First 5 California believes that in partnership with the county commissions First 5 can invest \$16.75 million to offset the cost MRMIB would incur to fund 0 to 5 premiums over the next six months.

First 5 California feels that this would be an excellent investment as those funds leverage \$33.5 million federal dollars, bringing the total investment in MRMIB for 0 to 5 year olds statewide, to \$50,250,000.00. First 5 also believes that there are promising opportunities ahead with the new federal administration, the proposed new authorization of the State Children's Health Insurance Program, state leadership and foundations who indicated an interest in partnering as we move forward.

Ms. Perry stated that this was an excellent time to make the swift decision to expand health coverage in California by taking this first step to support MRMIB.

Ms. Perry publicly thanked and extended her sincere gratitude to every First 5 County Commission who stepped forward and made funding commitments to ensure that the Healthy Families Program will not close its doors to eligible young children as a result of the State's budget shortfall. Ms. Perry listed the participating counties who made funding commitments. She stated that that this was an unprecedented First 5 State and County partnership that everyone can be proud of. She recommended the Commission:

- Approve funding that will safeguard more than 65,000 infants and children ages 0 to 5 from being placed on waiting lists for health coverage
- Authorize funding up to \$16.7 million to pay premiums for health care coverage for children ages 0 to 5 who are new enrollees to the Healthy Families Program
- Partner with First 5 County Commissions in presenting their commissioners with requests to provide part of the funding
- Send that funding to the California Managed Risk Medical Insurance Board, the agency that administers the Healthy Families Program, which will consider this additional funding at its next meeting on December 17.

MOTION/ACTION: Commissioner Attore moved that the Commission approve funding of Health Care for children ages 0 to 5 as follows:

1. Fund up to \$16,750,000 to pay for health care premiums for children ages 0 to 5 who are new enrollees to the Healthy Families Program from December 18, 2008, through June 30, 2009, which is administered by the California Managed Risk Medical Insurance Board.
2. Authorize First 5 California to act as a fiscal agent for the collection of county funds for the limited purpose of paying health care premiums for children ages 0 to 5 who are new enrollees to the Healthy Families Program and the corresponding transfer of those funds to MRMIB, collectively not to exceed \$16,750,000.00.

3. Authorize the transfer of funds from the First 5 California Administration Account to the Unallocated Account only as necessary to fulfill the Commission's approval of up to \$16,750,000.00 for the Healthy Families Program from December 18, 2008, through June 30, 2009.

The motion was seconded by Commissioner Tsakopoulos-Kounalakis.

DISCUSSION: Commissioner Dartis requested clarification around the partnership with County Commissions. She asked if the \$16.7 million in funds are matched by County Commission dollars, bringing the total to around \$32 million. Ms. Perry stated that in total, First 5 State and County Commissions will provide up to \$16.7 million between now and the end of the fiscal year. First 5 hopes to send the money as quickly as it can to MRMIB to prevent the waiting list and collect the contributions from County Commissions and replenish its Administrative Account to allow us to move forward on further expansion of health coverage for children in California.

Commissioners spoke with a unanimous voice commending First 5 State and County Commissions for partnering together and working quickly to address this problem.

Commissioner Tsakopoulos-Kounalakis recommended that the Commission take a look at the impact the budget and economic crisis has on the young children in California and ask if First 5's funding priorities today are the same as they were when those decisions were made.

Vice Chair Kears stated that the data that was provided indicated that the largest amount of the cost is from children ages 0 to 1, which reflects high need and special need children. First 5 is not just providing insurance, but we are addressing the medical needs of the children who need it the most.

PUBLIC COMMENT: Laurel Kloomok, Executive Director of First 5 San Francisco, stated that this was a great way to help out and contribute given the reality of drastic cuts. She stated that First 5 San Francisco is looking at their budget in other ways. An emergency fund was recently set up for agencies to protect direct services.

Susan True, Executive Director of First 5 Santa Cruz, stated that she truly felt that First 5 is part of a movement and this is one step in developing the shared policy agenda.

Lesley Cummings, Executive Director of MRMIB, expressed her sincerest gratitude to First 5 State and County Commissions for stepping forward to help incoming subscribers.

Lin Batten, Executive Director of First 5 Sacramento, stated that there was great interest among all counties in the Sacramento Region in being a part of the solution to provide health coverage for young children. She reminded Commissioners that county commissions must bring this item before their Commissioners to take action on.

Vice Chair Kears stated that they are celebrating the intent, commitment and willingness of all to go forward with something that is important regardless of what the final issues and outcomes are in every county.

VOTE: The motion was approved by a unanimous vote of the members present.

Prior to adjournment, Vice Chair Kears read the following statement on behalf of the Commission:

“This is regarding the approval of funding for Healthy Families to extend health coverage to more children. Today, the First 5 California State Commission approved the funding that will safeguard more than 65,000 infants and children 0 to 5 from being placed on waiting lists for health coverage through the fiscal year ending June 30, 2009. First 5 California authorized funding up to \$16.7 million to pay health care premiums for children 0 to 5 for new enrollees to the State Healthy Families Program. First 5 County Commissions have committed to presenting their Commissioners with requests to help provide a substantial part of this funding. This funding will be offered to the California Managed Risk Medical Insurance Board, the agency that administers Healthy Families, which will consider this additional funding at its next meeting on Wednesday, December 17. The State Commission extends its sincere gratitude to the First 5 County Commissions who stepped forward ensuring Healthy Families does not have to close its doors to eligible young children as a result of the State’s budget shortfall. First 5 looks forward to working with MRMIB to keep young children off waiting lists for health coverage during this period of rising unemployment rates and economic stability.”

Agenda Item 3 – Adjournment

Commissioner Munger moved for adjournment of the commission meeting. The motion was seconded by Commissioner Attore and was approved by a unanimous vote of the members present.

The next scheduled Commission Meeting is January 28, 2009, in Sacramento.